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FISCAL MANAGEMENT GOALS

The quantity and quality of learning programs are related to the funding provided and the effective, efficient management of those funds. It follows that the ESC's purposes can best be achieved through prudent fiscal management.

Due to resource limitations, there is sometimes a temptation to operate so that fiscal concerns overshadow the educational program. Recognizing this, it is essential that the Board take specific action to make certain that education remains central and that fiscal management contributes to the educational program. This concept is incorporated into Board operations and into all aspects of ESC management and operation.

As trustees of the community's investment in the facilities, materials and operational funds, the Board has a fiduciary responsibility to ensure that the investment is protected and used wisely. Competent personnel and efficient procedures are essential for sound management of fiscal affairs. The Board expects that the Superintendent and the Treasurer keep it informed through reports, both oral and written, of the fiscal management of the ESC.

The Treasurer is expected to develop an efficient and effective procedure for fiscal accounting; purchasing and the protection of plant, grounds and equipment through prudent and economical operation, maintenance and insurance.

The Board seeks to achieve the following goals:

1. to engage in thorough advance planning, with staff and community involvement, in order to develop budgets and to guide expenditures to achieve the greatest educational returns for the dollars expended;
2. to use the best available techniques for budget development and management;
3. to provide timely and appropriate information to all staff with fiscal management responsibilities and
4. to establish effective procedures for accounting, reporting, business, purchasing and delivery, payroll, payment of vendors and contractors and all other areas of fiscal management.

[Adoption date: January 7, 2003]

ANNUAL BUDGET AND APPROPRIATIONS MEASURE

The Board considers the preparation of the annual budget to be one of its most important functions because the budget is the financial reflection of the operating plan for the ESC. The budget is designed to carry out that plan in a thorough and efficient manner and to maintain the facilities and honor the obligations of the ESC.

Annually, the Treasurer prepares and presents to the Board a budget for adoption by July 1. Verification of fund sources and a defense of the projected budget shall be provided to the Board for review.

The budget should evolve primarily from the needs of the individual programs as expressed by the Superintendent.

In preparing the budget, the Treasurer ensures that the budget reflects the following general priorities for expenditure as set by the Superintendent.

1. staff for the maintenance of current programs;
2. equipment and supplies for the maintenance of current programs;
3. maintenance of existing facilities and equipment;
4. new staff for the improvement or expansion of current programs and
5. new equipment and supplies for the improvement or expansion of current programs.

When presented to the Board for review, the budget will include the proposed expenditures in each financial category for the ensuing calendar year, an estimate of unencumbered balances and all revenues by source.

Appropriations

As permitted by law, no later than July 1, the Board may pass a temporary appropriation measure to provide for meeting the ordinary expenses of the ESC until such time as the Board approves the annual appropriation resolution for the year, which will be no later than October 1.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 9.34
3311.40
3313.18

5705.14; 5705.15; 5705.16; 5705.28; 5705.29; 5705.35-5705.412

BUDGET PLANNING

Prudent fiscal management provides the keystone for an efficient system of quality public education. To maintain a solid foundation for operation of the ESC, the Board will explore all legal and practical sources of income, encourage advance planning, review and guide proposed expenditures to achieve the greatest educational value and require an accurate, current system of accounting and reporting.

The Board annually approves the operating budget for the ESC. The budget is designed to reflect the Board's objectives; therefore, it must be carefully organized and planned to ensure adequate understanding of the financial needs associated with program operation and development.

To meet the objectives of this policy, the Board directs the Superintendent to include in all ongoing studies of the educational program an estimated annual cost of implementing said program; maintain a plan of anticipated revenues based on changes in State and Federal legislation and report to the Board any serious financial implications arising from the budget plan.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 5705.01; 5705.28-5705.32; 5705.35; 5705.36; 5705.37; 5705.39; 5705.391

CROSS REF.: AE, School District Goals and Objectives

FUNDING PROPOSALS AND APPLICATIONS

The Board considers whether to apply for any State or Federal grants for which it is eligible. The Superintendent/designee evaluates federally funded programs and State grants and appraises the Board of the worth of each and makes recommendations accordingly.

The ESC participates to its limit of eligibility in the use of funds provided by the state for the educational benefit of its students.

[Adoption date: January 7, 2003]

LEGAL REF.: ORC 3313.20

REVENUES FROM TAX SOURCES

In an attempt to provide sufficient financial resources, the Board:

1. accepts available State funds to which the ESC is entitled by law or through regulations of the State Board of Education and
2. accepts Federal funds which are available, provided that there is a specific need for them and that the required matching funds are available.

[Adoption date: January 7, 2003]

LEGAL REFS.: Ohio Const. Art. XII, § 2
ORC 3301.07
3311.21
3313.02-3313.91
3317.01-3317.11
3323.09
Chapters 5701; 5705; 5727
5747.01
5748.01-5748.06

REVENUES FROM INVESTMENTS

The Governing Board invests, in accordance with law, interim funds on deposit in all accounts.

Investment of governing board funds may be made by the Treasurer when operating within the constraints of law and governing board policy, provided that no commitment of this governing board may be put in default at time due, but be paid properly and promptly.

The Governing Board is permitted to invest in any security specifically authorized by the Ohio Revised Code.

[Adoption date: January 7, 2003]

LEGAL REFS.: Intergovernmental Cooperation Act
ORC 135.01-135.21;
3313.51

BONDED EMPLOYEES AND OFFICERS

At the time of appointment or re-appointment of the Treasurer, the Board authorizes the Treasurer to execute a bond in an amount determined and approved by the Board. The bond must be deposited with the Board President and a copy certified by him/her must be filed with the County Auditor. The premium is paid by the Board.

The Superintendent, Board President and employees who handle funds are included, at Board expense, in a position schedule bond. Position schedule bonds pertain to a specific position, not to an individual.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3.06
131.18
3313.25; 3313.83
3319.05
5705.412

CROSS REF.: DM, Cash in School Buildings

FISCAL ACCOUNTING AND REPORTING

The ESC's accounting system is in conformance with the Uniform School Accounting System as prescribed by the Auditor of State. The Treasurer is responsible for receiving and properly accounting for all funds of the ESC.

The financial records must be adequate to:

1. guide the making or deferring of purchases, the expansion or curtailing of programs and the controlling of expenses;
2. ensure that current data are immediately available and in such form that routine summaries can be readily made;
3. serve as a guide to budget estimates for future years and to hold expenditures to the amounts appropriated and
4. show that those in charge have handled funds within limitations established by law and in accordance with Board policy.

The Board receives monthly financial statements from the Treasurer which show receipts, disbursements, appropriations, encumbrances, balances, assets and liabilities. The Treasurer makes all other financial reports required by law or by State agencies and submits them to the proper authorities.

The Treasurer provides the Board with any other financial management reports that the Board determines necessary.

Financial records are permanent. The supporting documents may be destroyed only in compliance with the provisions of Ohio law and in compliance with specifications of the ESC's records commission, the Auditor of State and the Ohio Historical Society.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 117.101; 117.38; 117.43
3301.07
3313.29; 3313.32; 3313.94
3315.04; 3315.13
Chapter 1347
Chapter 5705

CROSS REF.: EHA, Data and Records Retention

FINANCIAL REPORTS AND STATEMENTS

The Board receives, at each regular monthly meeting, statements showing the financial position of the ESC as of the last day of the preceding month, and an annual financial report.

The Treasurer is responsible for the submission of the monthly financial report. The report includes obligations incurred last month to date, expenditures last month to date and funds received last month to date.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 117.05
3313.29
3315.07
OAC 117-2-01 et seq.

INVENTORIES
(Fixed Assets)

Fixed assets are long-lived tangible assets which are intended to continue to be held or used by the ESC, such as furniture, equipment and vehicles.

1. The following criteria are used in identifying fixed assets:
 - A. useful life of greater than one year and
 - B. threshold dollar amount of \$200 for GAAP reporting purposes, or \$100 for insurance purposes.
2. Cost is determined by voucher records.
3. Items are identified by tag number, description, location and serial number and model number if applicable.
4. A newly acquired fixed asset is included in the fixed asset inventory at the time of acquisition.
5. Capital lease items (items being purchased on a lease-to-own basis) are included in the fixed asset inventory with the first lease payment. Their listed cost is the principal portion of the lease.
6. When new items are purchased for classrooms, the Treasurer assigns and prepares a tag number for the classroom teacher. The classroom teacher is responsible for physically tagging the item and, when appropriate, reporting the serial number and model number to the Treasurer.

Consumable Inventory

For the purpose of Generally Accepted Accounting Principals reporting, consumable inventory as of June 30 of each year, for governmental funds, will have a \$50 threshold, and will include only full cases of materials. Any specific group of items not meeting this threshold as of June 30 will not be included as part of the inventory, as it is determined that these items would be immaterial to the total assets of the ESC. All items on hand for proprietary fund types, if such a fund exists, will be inventoried.

[Adoption date: January 7, 2003]

LEGAL REF.: ORC 117.38

Fairfield County Educational Service Center, Lancaster, Ohio

INVENTORIES
(Fixed Assets)

In order to maintain and control the fixed asset inventory, the following procedures must be followed in the disposition of fixed assets.

1. The form "Request for Disposition of Fixed Asset" must be completed by the individual disposing of the asset.
2. The completed form is to be signed by the Superintendent and given to the Treasurer at least one week prior to the next Board meeting.
3. The Board is requested to pass a motion approving the disposition of the asset.
4. The Treasurer dates the above form with the date of the Board motion and returns one copy to the originator. The originator completes the disposition, signs off on the form and returns it to the Treasurer.
5. The fixed asset inventory is updated by the Treasurer to reflect the disposition.
6. If a fixed asset is stolen, a police report must be filed immediately upon discovery of the theft, and the Superintendent and Treasurer must be notified.
7. If a fixed asset is moved from its current site (i.e., classroom or building) the Treasurer must be notified immediately by the person making the transfer.

(Approval date: January 7, 2003)

PURCHASING

It is the desire of the Board to provide the county educational system with the opportunity to obtain the greatest value to education through ESC purchases. The Board encourages the utilization of a centralized purchasing.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.171; 3313.172; 3313.18; 3313.33; 3313.37; 3313.46
3319.04
3327.08
5705.41
Ohio Const. VIII, Section 2e

CROSS REF.: DK, Payment Procedures

PURCHASING AUTHORITY

The Board's authority for the purchase of materials, equipment, supplies and services is extended to the administration through the budget-making process and approved by the Board through its adoption of the annual appropriations resolution.

The purchase of items and services require no further Board approval, except in those instances in which, by law or Board policy, the purchases or services must be put to bid.

In an effort to bring about the smooth and efficient operation of the ESC, the Board will pass an annual budget with authorizations for the procurement of supplies, equipment and services for the fiscal year.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.17; 3313.171; 3313.172; 3313.18

BIDDING REQUIREMENTS

Contracts for construction or demolition of buildings or for any improvements or repairs which exceed \$25,000 are let only after bids are solicited and received in compliance with law. However, if the Board enters into a shared savings contract for energy conservation measures, competitive bidding is not required. The Board may also enter into an installment payment contract for the purchase and installation of energy conservation measures and competitive bidding does not need to be utilized if two-thirds of the entire Board adopts a resolution stating that competitive bidding does not apply to the project.

The Superintendent assembles the proper specifications and makes the necessary arrangements for public bidding and price quotations. The Treasurer receives the bids and price quotations and records them. The Superintendent makes his/her recommendations to the Board. Upon approval by the Board, he/she processes purchase orders to those bidders awarded contracts and notifies the other bidders of the results of the bidding.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 153.50; 153.54
3313.372; 33313.373; 3313.46
3319.04
3327.08

PURCHASING PROCEDURES

No purchases for any kind of materials, supplies, services or requests for reimbursement may be transacted by any staff member of the Fairfield County Educational Service Center before obtaining an approved purchase order.

Any staff member who purchases or orders any materials, supplies or services for use in the ESC, without first obtaining an authorized purchase order (or in the case of a professional meeting, a request for reimbursement form), shall pay for them, and no disbursement of funds will be made by the Board.

The procedure for obtaining materials, supplies, services or requests for reimbursements for job-related activities is as follows:

1. Itemize by company (including name, address, and telephone number), name of item and item number, cost per item, quantity, and total cost, for the items or services desired.
2. Present the request to the Fairfield County ESC Superintendent or his/her designee for approval.
3. If approval is given for the requested materials or service, a purchase order will be processed and signed by proper Fairfield County ESC officials.
4. The originator of the request may take the purchase order to the vendor or it will be mailed.
5. When the originator receives the order, they must comply with the administrative regulations. Upon receipt of a correct invoice, a warrant for payment of the bill shall then be processed by the Treasurer.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.46
3327.08
5705.41; 5705.412; 5705.44; 5705.45

CROSS REF.: Employee Handbook

VENDOR RELATIONS

It is the purpose of this policy to implement the intent of the legislature to strictly limit the interest that officers and employees of the Board may have in purchases or contracts of the Board.

No member of this Board shall have any direct or indirect pecuniary interest in any contract of the Board or be employed by the Board except as Treasurer. It shall not be considered a pecuniary interest where a member who is a shareholder, but not director or officer, of a corporation owning not more than five percent of the stock of such corporation files with the Treasurer an affidavit of his/her status with the corporation.

Members of the Board and its authorized agents shall observe the following guidelines in transactions for the ESC.

1. All persons as afore defined shall decline gifts from any individual, group or entity doing, or desiring to do, business with the ESC and shall refrain from soliciting funds or material from vendors, however worthy the purpose.
2. In interviews with salesmen, no one who is a member of the ESC staff shall commit himself/herself, by implementation or otherwise, on preference for any product, the ESC's source of supply for any product, or give any information regarding performance or price which might, in any way, embarrass the ESC or its representatives.
3. All vendors must have clearance through the Central Office prior to making any contact with personnel in a building.
4. A Board member may not use his/her office to authorize or influence approval of a contract with a firm for which he/she is an officer, owner or part-owner.
5. All communications with suppliers shall be through the Central Office except in special cases where technical details make it advisable to delegate authority to others.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.33; 3313.51; 3313.86
3319.21
3329.10

PAYMENT PROCEDURES

It is the purpose of the Board to effect the prompt payment of bills but, at the same time, ensure that due care has been taken in the review of such bills.

It shall be the responsibility of the Treasurer, upon receipt of an invoice, to verify that the voucher is in order, the goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the item is one for which the Board budgeted, and the invoice is for the amount contracted.

All claims for payments shall be submitted to the Board for review in the form of a listing including warrant number, warrant date, to whom paid and amount of remittance.

The Treasurer shall prepare a warrant for payment and cancel the commitment placed against the appropriate account. All checks shall be signed by the Treasurer or the Board President.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.18
3315.08
5705.41; 5705.412

CROSS REF.: DJ, Purchasing

SALARY DEDUCTIONS/DISBURSEMENT

Payroll Disbursement/Deduction Policy

The Fairfield County ESC will have 24 pay periods per year. The ESC Treasurer is authorized to make such payments on the 5th and 20th of each month; further, when these dates fall on weekends, Board-approved non-workdays or bank holidays, the Fairfield County ESC Treasurer is authorized to issue payroll checks on the last official workday prior to such date. Checks will be issued via direct deposit on the designated pay dates.

The Board authorizes the Treasurer to make deductions from employees' salaries for such purposes as credit unions, tax-sheltered annuities and other payroll deductions, provided that the employees have filed the appropriate forms with the Treasurer, and that said deduction purposes have been approved by the Superintendent and the Treasurer. At least five employees must request a specific deduction. Each employee is responsible for the income tax ramifications related to their deductions. Changes to deductions may be made four times per year. Such change request must be submitted to the Fairfield County ESC Treasurer by the first of the following months: January, April, July, and October, with such changes going into effect with the first pay of the following month (i.e., February, May, August, November).

[Adoption date: January 7, 2003]

EXPENSE REIMBURSEMENTS

ESC personnel who incur expenses in carrying out their authorized duties, as specified, are reimbursed by the ESC upon submission of a properly filled out and approved voucher with such supporting receipts as required by the administrative regulations. Expenses incurred must be for travel, tuition reimbursement and professional meetings. Such expenses may be approved and incurred within the limits of budgetary allocations for the specific type of expense.

When official travel by a personally owned vehicle has been authorized, mileage payment is made at the rate currently approved by the Board and within the limitations of Federal law.

A traveler on official school business is expected to exercise the same care in incurring expenses that a prudent person would exercise in traveling on personal business. Excessive costs, such as those caused by circuitous routes or luxury services or accommodations, are not considered prudent, nor are they accepted for reimbursement.

[Adoption date: January 7, 2003]

LEGAL REFS.: ORC 3313.12; 3313.20
3315.15

CROSS REF.: GCL, Certified Staff Development Opportunities

EXPENSE REIMBURSEMENTS

The following procedures and regulations shall be observed in administering the Fairfield County Educational Service Center Governing Board policy on staff development.

1. Criteria for Attendance at Professional Meetings

- A. Will the Fairfield County Schools benefit?
- B. Is the meeting or conference appropriate for the person making the request?
- C. How much time would be lost from work?
- D. Are funds available in the appropriation?
- E. How many persons are requesting attendance at this meeting or conference?
- F. How many meetings or conferences have this person attended?
- G. Can suitable arrangements be made for the employee's school responsibilities?
- H. If out of state, how long has it been since the person making the request has attended an out-of-state or national meeting?

2. Conferences

Employees desiring to attend a conference shall complete the form "Request for Permission to Attend Professional Meetings or Conferences and Reimbursement for Such" and submit it to the Fairfield County ESC Superintendent or his/her designee at least two weeks prior to the conference. The Fairfield County ESC Superintendent or his/her designee may reject the request, approve the request or conditionally approve the request. The Fairfield County ESC Superintendent shall use the guidelines in Item #1 in considering the request.

Requests which require Board approval must be submitted no later than the last Fairfield County ESC Governing Board meeting which occurs immediately prior to the requested conference or meeting.

Reimbursement for expenses to conferences shall be calculated as follows:

A. Transportation

Actual cost of the ticket for airline coach class or other public transportation shall be covered. Travel by private automobile shall be reimbursable at the mileage

rate established by the Fairfield County ESC Governing Board. If an employee is able to choose between several modes of transportation, the least expensive method shall be used after considering such factors as time, lodging, meals and safety. If significant additional costs are incurred because of the employee's preference, such additional costs must be paid by the employee.

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B. Meals

Meals which fall at times outside of the conference time line, such as breakfast or dinner while traveling to or from a conference, are generally the expense of the employee. Exceptions to this are when the required travel time would be in excess of two hours before or after the normal workday (8:00 a.m. - 4:00 p.m.) of the Fairfield County ESC. Lunch cost will not be reimbursed for meetings lasting one day or less, unless the lunch cost is past of the registration fee.

All meals that are not part of the registration fee are reimbursable only with an accompanying receipt using the Fairfield County ESC Governing Board adopted allowances. Banquets or luncheon meals that are part of the conference program will be paid by the Fairfield County ESC Governing Board.

C. Lodging

Generally, lodging for attendance at meetings will only be paid by the Fairfield County ESC Governing Board for meetings which are held at locations that are at least 75 or more miles away from Lancaster. The Fairfield County ESC Superintendent may, at his/her discretion, approve the payment of lodging for meetings that are less than 75 miles away, if circumstances warrant it.

The Fairfield County ESC Governing Board will pay for the cost of the single room rates.

D. Registration

The registration fee for approved conferences is paid by the Fairfield County ESC Governing Board.

E. Expenses must be itemized for such costs as parking, meals, tolls, local transportation, etc., and submitted with receipts to the Fairfield County ESC Treasurer upon the employee's return. Tips and alcohol are not reimbursable.

F. Fairfield County ESC Governing Board reimbursement will only be for actual expenses of the Fairfield County ESC Governing Board employees.

G. professional Meeting Purchase Order Administration Guidelines apply to this policy.

3. Travel Regulations Policy

Staff personnel who official duties require travel shall be reimbursed according to the following regulations:

- A. The Board-approved rate of travel shall remain in effect until such time as modified by the Fairfield County Educational Service Center Governing Board.

- B. Travel expenses are limited to miles traveled between office and school and between school and school.
 - C. Travel expenses shall also include miles traveled on official business within the county or districts served or to official meetings outside the county.
 - D. Travel reimbursement shall be on a monthly basis according to those miles traveled as reported on the travel form provided by the Fairfield County ESC Governing Board and presented to the Fairfield County ESC Treasurer for payment by the last day of the month.
4. Other
- A. Workshops, seminars, classes, conferences, etc., required for certification, or purely for personal gain, shall be the responsibility of the individual.
 - B. A listing of conferences and persons who attended shall be made available to staff members. Any staff member wishing specific information about a particular conference may contact the person or persons who attended a particular conference and request information about that conference and/or topic. Staff members are also encouraged to share information at staff meetings when appropriate.

(Approval date: January 7, 2003)

CASH IN SCHOOL BUILDINGS

Monies collected by authorized employees are handled with prudent business procedures.

All monies collected are receipted, accounted for and deposited every 24 hours if possible. In the event the Treasurer or person in charge of an activity is unable to deposit the money in 24 hours, the money will be accounted for and deposited in the safe. The money can be held no longer than three business days after receipt and the amount must be under \$1000.00. If the amount is more than \$1000, or the money cannot be adequately safeguarded, it must be deposited on the business day following the date of receipt.

[Adoption date: January 7, 2003]

LEGAL REF.: ORC 9.38

CROSS REF.: DH, Bonded Employees and Officers